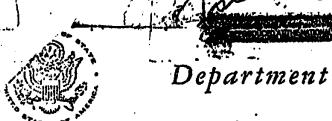
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INFO OCT-01 ISO-00 SSO-00 NSCE-00

DRAFTED BY EA/PRCM: JAUBERT: CED APPROVED BY EA/PRCH:HETTHAYER EA - MR. ARMSTRONS (DRAFT) RBYEAT - HR. WRIGHT (URAFT) S/P - MR. KALICKI (DRAFT) S/S - MR. BRIDGES

n 1521262 OCT 78 FM SECSTATE WASHOC TO USED PEKING IMMEDIATE

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EXPIS

E.O. 11652: XGUS-3

ESTC, CH TAGS:

COC COMPUTER FOR PRC SUBJECT:

REF: PEKING 2098

YOU ARE AUTHORIZED TO INFORM DONAGHUE THAT USG HAS CONFIRMED TO CCC THAT IT IS PREPARED TO APPROVE COC'S APPLICATION FOR THE SALE OF A COMPUTER SYSTEM TO TECHIMPORT TO BE USED BY THE SEISHIC CENTER IF COC ACCEPTS: THE CONDI-TIONS SET FORTH IN ANNEX I AND II CONVEYED TO COC BY THE USG ON OCTOBER 14.

YOU SHOULD OPALLY DRAW DONAGHUE'S ATTENTION TO THE FOLLOWING POINTS. THE CONDITIONS ARE OF FOUR SORTS. CDC WILL HAVE TO AGREE TO PERFORM THE ACTIONS ENUMERATED UNDER ANNEX I HEADING NUMBER ONE. HEADING NUMBER 2 RE-QUIRES COC TO EXERT ITS "BEST EFFORTS" TO PERFORM CERTAIN OTHER ACTIONS. HEADING NUMBER 3 SETS FORTH CONDITIONS

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UNDER WHICH THE U.S. WILL TAKE CERTAIN "APPROPRIATE" ACTIONS. THESE CONDITIONS ARE THAT "ANY OF THESE PROVISIONS ARE CONTRAVENED" OR THAT THE USG "HAS REASONABLE GROUND FOR SUSPICION THAT A SIGNIFICANT DIVERSION TO

STRATEGIC PURPOSES HAS TAKEN PLACE." HE/DING NUMBER 4 IS A UNILATERAL STATEMENT BY THE US GOVERNMENT THAT IT "MAY" TAKE CERTAIN ACTIONS IF DESPITE CDC'S REST EFFORTS CERTAIN PROVISIONS ARE CONTPAVENED. CDC WILL HAVE TO AGREE TO THE LIMITATIONS ON TECHNOLOGY THANSFER SET FORTH IN ANNEX II.

3. ASK DONAGHUE TO TREAT ABOVE INFORMATION CONFIDENTIALLY, INDICATING THAT ME HOPE THAT DISCUSSION OF US CONDITIONS REMAIN BETWEEN COC AND USG, AND REMIND HIM UP NEED FOR CIRCUMSPECTION IN TELEPHONIC COMMUNICATIONS. IN THIS CONNECTION YOU MAY TELL DONAGHUE THAT IP THERE IS INFORMATION HE HISHES TO RELAY CONFIDENTIALLY TO COC, YOU WILL MAKE USLO CHANNEL AVAILABLE.

4. A PARALLEL PRESENTATION HAS REEN MADE TO CDC REPS IN MASHINGTON, WE UNDERSTAND THAT CDC IS CONVEYING ITS REACTION TO DONAGHUE.
KISSINGER

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